Thus if a manufacturer declares a higher price as MRP he will also have to pay higher taxes; this act as a deterrent to declare higher prices. Apart from this competitive market forces also will encourage manufacturers not to declare unreasonably higher prices.

Waiver of excise duty on sugar and molasses

36. SHRI RAJKUMAR DHOOT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government of Maharashtra has requested for waiver of excise duty on sugar and molasses;

(b) if so, the details thereof;

(c) if waiver is not possible, whether Government is willing to defer payment of excise for a specified period;

(d) if not, the reasons therefor, and

(e) other alternative steps are proposed to be taken to help sugar industry to come out of financial crisis?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) to (e) The Chief Minister, Government of Maharashtra *vide* letter dated July 16, 2007 requested the Union Government, *inter alia*, to waive excise duty on sugar and molasses as the prices of sugar and molasses were recording downward trend and in case waiver was not possible, to defer payment of excise duty for three years. The Union Government considered the request of the Government of Maharashtra and decided to give loans from banks under special guidelines to the sugar mills in private, public and cooperative sector which also involved full interest subvention up to a cap of 12% per annum.

Wastage of foodgrains

37. SHRI RAJKUMAR DHOOT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is considering a year round strategic foodgrain buffer as maintained by China;

(b) if so, the details thereof;

(c) the quantity of foodgrains got destroyed in various Government/Public Sector warehouses during last two years; and

(d) the steps taken by Government to prevent loss of foodgrains in warehouses?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) and (b) In order to ensure food security in the country, keep the prices under check and maintain adequate supplies of foodgrains for TPDS,

other welfare schemes, etc., it has been decided by the Government that a strategic reserve of 50 lakh tonnes of foodgrains will be maintained by Food Corporation of India. The strategic reserve will consist of 30 lakh tonnes of wheat and 20 lakh tonnes of rice and is intended as an insurance for food security in the event of any major adverse factor affecting availability of wheat and rice.

(c) Food Corporation of India and Central Warehousing Corporation have informed that no foodgrains have got destroyed in their godowns/warehouses during last two years.

(d) The steps taken by Government to prevent loss of foodgrains stored in the warehouses is given at the Statement.

Statement

Steps taken by Government to prevent loss of foodgrains stored in the warehouses.

The steps taken by Government to prevent loss of foodgrains stored in the warehouses are as follows:-

(i) Godowns/warehouses are constructed and maintained on scientific lines for storage of foodgrains.

(ii) Regular prophylactic and curative treatment of foodgrains are carried out for the control of insect pests.

(iii) Regular periodic inspections of the stocks by qualified and trained staff is carried out and immediate remedial measures are taken, if shortcomings are observed.

(iv) The foodgrains are stored on elevated plinths using proper dunnage material in Cover and Plinth (CAP) storage.

(v) Stocks of foodgrains are treated with malathion and deltamethrin as a preventive measures to arrest infestation on fortnightly and quarterly basis.

(vi) Whenever, infestation is noticed stocks are fumigated with Aluminium Phosphide.

(vii) The stocks are covered with specially fabricated low-density polythene covers and tied with nylon ropes.

(viii) Pest control/rodent control measures are undertaken.

(ix) Procedure of "First in First Out (FIFO) to the extern possible is implemented so as to avoid longer retention of stocks".

(x) Movement of stocks of foodgrains are undertaken by covered wagons, etc.

(xi) Pre-monsoon fumigation are carried out.

(xii) The quality control checks are carried out by FCI at Zonal/Regional level and closely monitored at the FCI Hqrs.